

MEMORANDUM

Agenda Item No. 11(A)(35)


TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: January 21, 2015

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution urging the Florida Legislature to enact legislation related to Value Adjustment Board ("VAB") proceedings to:
(1) address interest payments following a VAB determination;
(2) improve the timeliness and accuracy of the VAB process, and expedite the final certification of the property tax roll; supporting the School Board in pursuing legislation that would provide a process by which school districts could immediately recover any preliminary shortfall in the required local effort until the final tax roll is certified and a final prior period funding adjustment is made

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Vice Chairman Esteban L. Bovo, Jr.



R. A. Cuevas, Jr.
County Attorney

RAC/cp

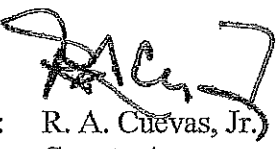


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(Revised)

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Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☒ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(35)
1-21-15

RESOLUTION NO. _____

RESOLUTION URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION RELATED TO VALUE ADJUSTMENT BOARD ("VAB") PROCEEDINGS TO: (1) ADDRESS INTEREST PAYMENTS FOLLOWING A VAB DETERMINATION; (2) IMPROVE THE TIMELINESS AND ACCURACY OF THE VAB PROCESS, AND EXPEDITE THE FINAL CERTIFICATION OF THE PROPERTY TAX ROLL; SUPPORTING THE SCHOOL BOARD IN PURSUING LEGISLATION THAT WOULD PROVIDE A PROCESS BY WHICH SCHOOL DISTRICTS COULD IMMEDIATELY RECOVER ANY PRELIMINARY SHORTFALL IN THE REQUIRED LOCAL EFFORT UNTIL THE FINAL TAX ROLL IS CERTIFIED AND A FINAL PRIOR PERIOD FUNDING ADJUSTMENT IS MADE

WHEREAS, Florida Statutes provide taxpayers the right to challenge a property appraiser's assessment of their property by, among other things, filing a petition with, and having a hearing before, their local Value Adjustment Board ("VAB"); and

WHEREAS, the VAB process is intended to provide an expedited and efficient opportunity for taxpayers to challenge a property appraiser's assessment of their property; and

WHEREAS, the high number of VAB appeals in the past several years and the ability to reschedule hearings for good cause without limit have led to delays in final certification of the property tax rolls; and

WHEREAS, these delays can impact the ability of other taxpayers to have their petitions heard in a timely fashion by the VAB; and

WHEREAS, these delays also negatively impact local taxing authorities, including Miami-Dade County (the "County"), the Miami-Dade County School Board (the "School Board"), and municipalities, by requiring the payment of additional interest; and

WHEREAS, section 194.014(2), Florida Statutes, was amended in 2011 to require that, when tax refunds are made as a result of a decision of the VAB, a high interest rate of 12 percent per year (one percent per month) be used to calculate an interest payment on the refunded amount paid to petitioners, which serves to both divert local taxpayer funds from important government services and encourage the filing of petitions; and

WHEREAS, such high interest payments are required even though local taxing authorities cannot control the pace at which the VAB process proceeds; and

WHEREAS, the volume of appeals has led to significant refunds and delays in the VAB process and significant interest payments being made with taxpayer funds by both the County and the School Board; and

WHEREAS, local taxing authorities such as the School Board, the County, and municipalities are at the mercy of the delays in the VAB process and must react to revenue losses while still providing critical services such as public safety and constitutionally mandated K-12 education; and

WHEREAS, the County and School Board are working together to effectuate change in the VAB process, including by working with those governmental entities with control over the VAB process, including the Florida Legislature, the Florida Department of Revenue, the Miami-Dade County Property Appraiser, and the VAB itself; and

WHEREAS, for example, this Board has adopted Resolution No. R-369-14, which urged the Florida Legislature to enact legislation prohibiting licensed and unlicensed agents from appearing before the VAB and filing petitions on behalf of property tax owners without first obtaining the property owners' consent and signature; and

WHEREAS, the County also wishes to support the School Board in pursuing legislation to alleviate some of the funding shortages suffered by the School Board as a result of the VAB process in Miami-Dade County; and

WHEREAS, the final certification of the property tax roll in Miami-Dade County cannot occur until the VAB process is complete; and

WHEREAS, delays in the final certification of the property tax roll have a significant detrimental effect on the budget of the School Board because of limitations in statute regarding establishment of millage rates and prior year adjustments; and

WHEREAS, the School Board is funded by a complex formula of state tax revenues and local property taxes (the "Required Local Effort"), with the Required Local Effort being determined yearly by setting the School Board's millage based on 96 percent of the district's taxable value; and

WHEREAS, this 96 percent budgetary requirement for the Required Local Effort results in a budgetary shortfall for the School Board because VAB reductions to the tax roll typically are well in excess of four percent; and

WHEREAS, before 2007 the State covered such local property tax shortfalls, but the School Board is now required to make up this shortfall by increasing the millage in the year after the shortfall ("Prior Period Funding Adjustment"); and

WHEREAS, but because (1) Florida law requires the School Board to wait until the final tax roll certification to make the Prior Period Funding Adjustment, and (2) the final tax roll certification has recently been delayed in Miami-Dade County by over two years, the School Board has been unable to timely make up the budgetary shortfall via the Prior Period Funding Adjustment,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges the Florida Legislature to amend Florida law to require the payment of then current short-term market interest rates by both the petitioner if additional taxes are owed and the taxing jurisdiction if a refund is owed following a VAB determination of a property tax appeal.

Section 2. Urges the Florida Legislature to adopt legislation that would improve upon the timeliness and accuracy of the VAB process and expedite the final certification of the property tax roll.

Section 3. Supports the School Board in pursuing legislation that would provide a process by which school districts could immediately recover any preliminary shortfall in the Required Local Effort until the final tax roll is certified and a final Prior Period Funding Adjustment is made.

Section 4. Directs the Clerk of the Board to transmit certified copies of this resolution to the Governor, the Senate President, the House Speaker, the Chair and Members of the Miami-Dade State Legislative Delegation and the Executive Director of the Florida Department of Revenue.

Section 5. Directs the County's state lobbyists to advocate the passage of legislation accomplishing the goals set forth herein, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2015 state legislative package to include this item and to include this issue in the 2016 state legislative package when it is presented to the Board.

The Prime Sponsor of the foregoing resolution is Vice Chairman Esteban L. Bovo, Jr. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 21st day of January, 2015. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Jorge Martinez-Esteve

